



Affordable Care Act Individuals and Families

Report changes to the Marketplace as they happen IMPORTANT REMINDER ABOUT ADVANCE PAYMENTS OF THE PREMIUM TAX CREDIT

The [premium tax credit](#) is a refundable tax credit that helps eligible people with moderate incomes afford health insurance purchased through the [Health Insurance Marketplace](#). You can choose to have all or part of the credit paid in advance to your insurance company to lower what you pay for your monthly premiums, or you can claim the credit when you file your tax return. If you choose to have the credit paid in advance, you will reconcile the advance payments with the actual credit you compute when you file your tax return.

Advance credit payments made to your insurance company are based on an estimate of the credit that you will claim on your federal income tax return. The Marketplace estimates the credit by using information about your family composition and projected income that you provide when you submit your application.

REPORT CHANGES IN CIRCUMSTANCES

It is important for you to report changes in circumstances to get the proper type and amount of financial assistance and to avoid getting too much or too little in advance. Reporting changes in circumstances will allow the Marketplace to adjust your advance credit payments. This adjustment will help you avoid getting a smaller refund or owing money that you did not expect to owe on your federal tax return.

Changes you should report to the Marketplace include:

- Birth or adoption
- Marriage or divorce
- Moving to a different state
- Changes in household income
- Incarceration or release from incarceration
- Gaining or losing health care coverage or eligibility
- Other changes affecting income and household size

These changes may also open the door for the Marketplace special enrollment period that permits health care plan changes. In most cases, the special enrollment period for Marketplace coverage is open for 60 days from the date of the life event.

FILE A FEDERAL TAX RETURN

If you receive advance credit payments in any amount or if you plan to claim the premium tax credit, you must file a federal income tax return. If you receive any advance credit payments, you will use your return to reconcile the difference between the payments and the credit.

Find out more about the [premium tax credit](#), and other tax-related provisions of the health care law at [IRS.gov/aca](#).

Find out more about the Health Insurance Marketplace at [HealthCare.gov](#).